

Pacific Place Garage Overview

February 2013

General Purpose

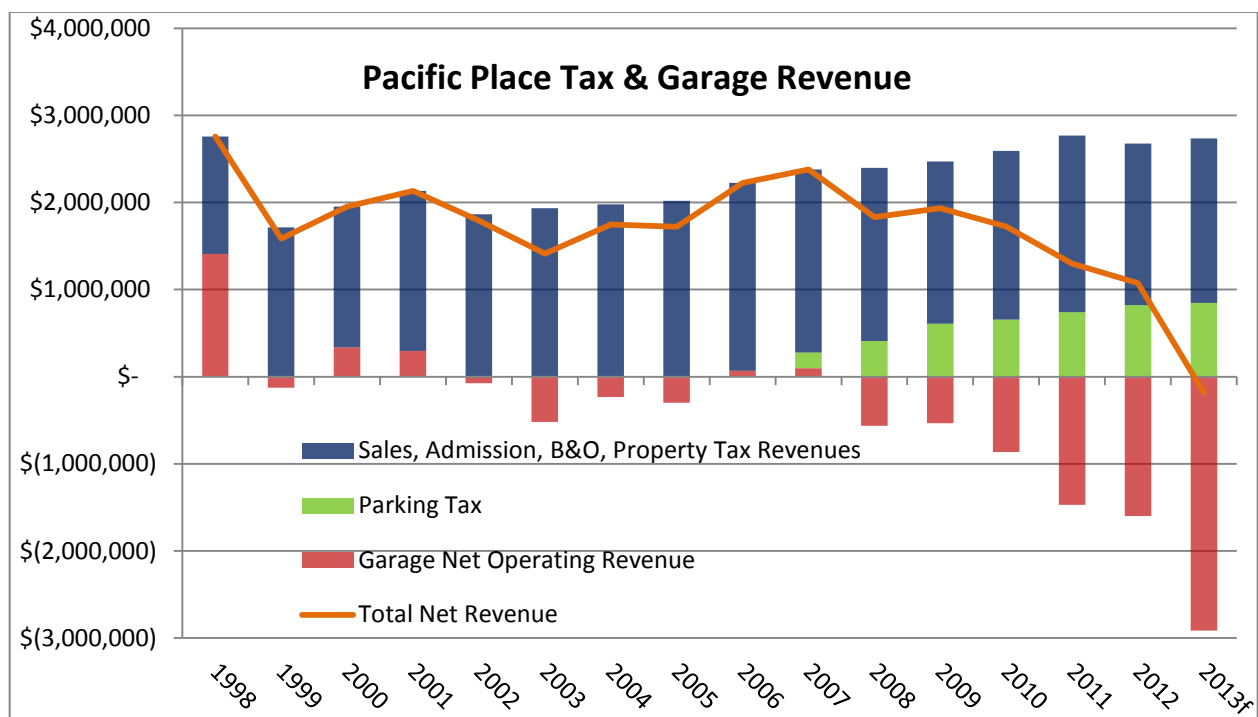
- Support the redevelopment of three square blocks of downtown, including preserving the historically significant Frederick and Nelson building through creation of Nordstrom's flagship store, constructing Pacific Place retail mall with parking garage, and redeveloping the former Nordstrom properties for additional new retail, office and other commercial uses.
- Serve as a catalyst for redevelopment of the commercial core by contributing to increased pedestrian traffic, improved public safety, and enhanced vehicular circulation.

Development Objectives

- Improved public access to and within the retail core;
- Increased pedestrian activity, contributing to the viability and safety of downtown;
- Preservation of the Frederick and Nelson building (now Nordstrom) through a façade easement;
- Decreased size of the Pacific Place development through a restrictive covenant, increasing the amount of sunlight in the retail core; and
- Award of at least 10% of total contracts of the retail complex (including parking) to women or minority-owned businesses and 15% of construction hours worked by apprentices.

Results

- A recent publication from the Downtown Seattle Association notes that among peer cities (including San Francisco, Portland, and Boston) Seattle had the highest growth in retail employment since 2002.
- Seattle now ranks second only to San Francisco among peer cities in the number of downtown residents.
- In addition to generally benefiting downtown, Pacific Place and the garage also directly contribute to the City's finances.
 - Estimated more than \$30 million in sales, admission, business and occupation, and property taxes from Pacific Place since 1998.
 - More than \$4.2 million in commercial parking tax directly from the garage since mid-2007 through 2013 forecast.
- The following table outlines the garage cash flow, including all taxes from 1998 through 2013 forecast:



Sale

- Considering the success of the garage in achieving its objectives and the continuing need to focus on core services, the City is considering a sale of the garage.
- The possibility of selling the garage back to Pine Street Group LLC has always been contemplated; it was built into the original agreements for consideration in 2018. The question has been when is the correct time for the City to exercise this right?
- Purchase price of \$55 million is approximately 10% more than a recent garage appraisal that determined the value at between \$50 million and \$51 million.
- Proposed purchaser is Pine Street Group LLC, developer and manager of the Pacific Place retail facility constructed above the garage.
- As part of the purchase, Pine Street Group LLC has agreed to operate the garage with prices at or below 80% of market, maintaining affordable short-term parking for the benefit of downtown.